

Situation

TherMark is a developer of patented technologies that allow manufacturers to place photographic-quality serial numbers, part ID numbers, logos and other permanent marks on virtually any hard surface material, including glass, metal, ceramics and plastics. Despite its technological innovations, the company had struggled to attract investors or develop a large customer base for its products. According to Founder and Chairman Paul W. Harrison, who has more than 40 years experience in mechanical design and manufacturing engineering, "we had the technical know-how, but we just didn't know how to turn it into a profitable business."

Solution

Harrison met the founders of Momentum Venture Management at a conference, and the two companies started working together to help TherMark build a business strategy to support its technical excellence. "It was pretty clear to us that what they were doing had incredible potential," says Matt Ridenour of Momentum Venture Management. "At the same time, they had been in business for more than seven years and did not have the funding or full management team to really achieve lift-off." One of Momentum's principals joined the company as CEO and worked with TherMark to restructure the company, reposition its business strategy and to raise institutional capital. "They did for us in seven months what we couldn't do for ourselves in seven years," Harrison says.

Results

As a result of TherMark's repositioning, Momentum Venture Management was able to create a business plan and search for "A-list" investors to back the company as it continued to grow. In April 2006 TherMark announced that it had completed an oversubscribed \$1.7 million series A round of financing led by Pasadena Angels and Tech Coast Angels, two respected investor groups in Southern California. Harrison says that "the number of uses for our product is unlimited. By securing this funding, we are now able to grow our business and bring this great technology to the market. I firmly believe that we have a product that can have a major impact in industries ranging from automotive to computers to graphic design. Our backers have given us the financial support we need to transform TherMark from a great idea to a market winner. This would never have happened without Momentum Venture Management as our strategic partner." Momentum will continue in the company's CEO role post-closing, leading efforts to consolidate distribution channels, to explore acquisition opportunities with key strategic partners, and to source and hire other key members of the management team.

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